

NOTICE OF MEETING
(Amended)

MEETING: Wichita Falls Economic Development Corporation (WFEDC)

DATE: September 13, 2010

TIME: 4:00 p.m.

LOCATION: Council Conference Room or Council Chambers; Memorial Auditorium, 1300 7th Street; Wichita Falls, Texas

1. Call to Order

2. Approval of Minutes from Prior Meetings

3. Selection of Officers as Necessary

4. FY 2010-2011 budget approval: Approving the attached **Fiscal Year 2010-2011 Budget** and projects and expenditures described therein and making the attached **Findings and Allocations and Authorizations** relating to said projects and expenditures described therein. The WFEDC hereby finds that the expenditures designated for “administration” are for the administration of projects intended to create primary jobs. The WFEDC further finds that the expenditures designated as “promotional” are promotional expenditures that advertise and publicize the City of Wichita Falls for the purpose of developing new and expanded business enterprises. Subject to change at the meeting, the WFEDC finds that the funds budgeted for the:

CCI-Contract are 100% administration

Regional Marketing Taskforce are \$30,000 administration and \$88,000 promotional

Regional Workforce Development are 100% administration

SMAC (Sheppard Military Affairs Committee) are 100% administration

Community Wide Promotional Expenditures are 100% promotional

Business Plan Contest (Lalani) are \$17,500 administration and \$1,000 promotional

5. Downtown Wichita Falls Promotion (Amendment of FY 2008-09 Budget) – Proposed incentive for Downtown Wichita Falls Development, Inc. to promote development in the downtown area of **\$50,000**---including finding such expenditure advertises and publicizes the City of Wichita Falls for the purpose of developing new and expanded business enterprises and making the attached **Findings and Allocations and Authorizations** relating to this project. The funds will come from the funds allocated for promotional expenditures in the 2008-2009 Fiscal Year of the WFEDC. The 2008-2009 Fiscal Year Budget is amended to reflect said expenditure.

6. Location approval pursuant to Carter Copter Aircraft Development Incentive Project, authorization of modifications to Performance Agreement between WFEDC & Carter Aviation Technologies, Carter Air Vehicles and/or related companies, and authorization of necessary ancillary agreements with said entities.

7. Executive Sessions:

Executive Session in accordance with Texas Government Code § 551.071, consultation with attorney on matter involving pending or contemplated litigation or other matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act (including, but not limited to, legal issues related to potential projects for the development, retention, or expansion of bedding manufacturing, clutch manufacturing, aircraft manufacturing, washing machine manufacturing, medical device refurbishment, teleservice operations, coating manufacturing & distribution, gas compressor equipment manufacturing, latex-foam manufacturing, biodiesel manufacturing, **solar cell manufacturing and distribution**, and projects with other entities named in this agenda for creation and retention of primary jobs (as defined by Tex. Local Gov't Code § 501.002)).

Executive Session in accordance with Texas Government Code § 551.072, to deliberate the purchase, exchange, lease, or value of real property interests due to the fact that deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third party (including, but not limited to, the purchase and/or value of various real property interests to be used for the development, retention, or expansion of bedding manufacturing, clutch manufacturing, aircraft manufacturing, washing machine manufacturing, medical device refurbishment, teleservice operations, coating manufacturing & distribution, gas compressor equipment manufacturing, latex-foam manufacturing, biodiesel manufacturing, **solar cell manufacturing and distribution**, and projects with other entities named in this agenda for creation and retention of primary jobs (as defined by Tex. Local Gov't Code § 501.002)).

Executive Session in accordance with Texas Government Code § 551.087, to discuss or deliberate the offer of a financial or other incentive to a business prospect that the WFEDC seeks to have, locate, stay, or expand in or near the territory of the City of Wichita Falls and with which the WFEDC is conducting economic development negotiations (including, but not limited to potential projects for the development, retention, or expansion of bedding manufacturing, clutch manufacturing, aircraft manufacturing, washing machine manufacturing, medical device refurbishment, teleservice operations, coating manufacturing & distribution, gas compressor equipment manufacturing, latex-foam manufacturing, biodiesel manufacturing, **solar cell manufacturing and distribution**, and projects with other entities named in this agenda for creation and retention of primary jobs (as defined by Tex. Local Gov't Code § 501.002)).

"Wheelchair or handicapped accessibility to the meeting is possible by using the handicapped parking spaces and ramp located off the east parking lot on the Sixth Street entrance. Spanish language interpreters, deaf interpreters, Braille copies or any other special needs will be provided to any person requesting a special service with at least 24 hours notice."

CERTIFICATION

I certify that the above notice of meeting was posted on the bulletin board at Memorial Auditorium, Wichita Falls, Texas, on the ____ day of _____, 20____, at _____ o'clock (a.m.) (p.m.)

City Clerk

Every item on this agenda shall be considered a public hearing and citizens may appear at the beginning of this meeting and request to speak on any item. Regardless of the agenda heading under which any item is listed, any word or phrase of any item listed on this agenda shall be considered a subject for consideration for purposes of the Texas Open Meetings Act and other relevant law, and Board of Directors may deliberate and vote upon any such subject and resolutions related thereto. Any word, phrase, or other subject may be voted upon, regardless of any language of limitation found in this agenda or any document referring to such action. Funding amounts may differ from the amounts shown on this agenda. In addition to other items listed hereon, any item that has previously been discussed by this Board of Directors may be discussed and deliberated and is herein added as a subject of this meeting without further notice. Any item on this agenda may be discussed in executive session if authorized by Texas law regardless of whether any item is listed under "Executive Sessions" of this agenda, regardless of any past or current practice of this Board of Directors. Executive sessions described generally hereunder may include consideration of any item otherwise listed on the agenda plus any subject specified in the executive session notice. Executive sessions described generally hereunder are closed meetings, may include consideration of any item otherwise listed on the agenda plus any subject specified in the executive session notice, and may include items under Texas Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.084, and/or 551.087. Any descriptions of property or amounts stated herein are descriptive and not restrictive, and property and amounts may be changed in the motions, actions or documents without further public notice. This agenda has been reviewed and approved by the attorney for the governing body, and the presence of any subject or description in the Executive Session portion of this agenda constitutes a written interpretation of Chapter 551 of the Texas Local Government Code by the attorney for the governmental body indicating that said subject or description thereof may be legally discussed in a closed meeting.

Findings:

The proposed Projects are found by the Board of Directors to be in full compliance with the Bylaws and Articles of Incorporation of the Wichita Falls Economic Development Corporation and the Texas Development Corporation Act of 1979 and Chapters 501 through 504 of the Texas Local Government Code and are land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements (or "costs" thereof) that:

(1) are for the creation or retention of primary jobs and are required or suitable for the development, retention, or expansion of:

- (A) manufacturing and industrial facilities;
- (B) research and development facilities;
- (C) military facilities, including closed or realigned military bases;
- (D) transportation facilities, including airports, ports, mass commuting facilities, and parking facilities;
- (E) sewage or solid waste disposal facilities;
- (F) recycling facilities;
- (G) air or water pollution control facilities;
- (H) facilities for furnishing water to the public;
- (I) distribution centers;
- (J) small warehouse facilities capable of serving as decentralized storage and distribution centers;
- (K) primary job training facilities for use by institutions of higher education; or
- (L) regional or national corporate headquarters facilities.

or

(2) are job training required or suitable for the promotion of development and expansion of business enterprises and other enterprises described by this subtitle, as provided by Texas Local Gov't Code § 501.162

or

(3) are promotional expenditures that advertise and publicize the City of Wichita Falls for the purpose of developing new and expanded business enterprises

To the extent that funds are designated as "administrative" or "promotional" in the attached agreements or other documents, the proposed expenditures are hereby determined to be administrative and promotional. Funds designated therein as "administrative" or "administration" are for the administration of projects intended to create primary jobs, and are not intended to be within the "promotional" category of expenditures.

Allocations and Authorizations:

With respect to the approved Projects, the Board of Directors:

1. allocates the funds authorized herein, which shall constitute notice and publication of the Project for purposes of applicable notice provisions of the Texas Development Corporation Act of 1979,

2. authorizes the President of this corporation to execute all documents necessary to expend the funds allocated pursuant hereto, including, but not limited to, documents securing the corporation's interest in loans to business entities funded hereunder, closing documents, and performance agreements with the enterprises funded pursuant to this Project, in a form to be approved by the City Attorney of the City of Wichita Falls and/or attorney for this corporation, containing, at a minimum:

- (1) a schedule of additional payroll or jobs to be created or retained;
- (2) the capital investment to be made by the business enterprise;
- (3) the terms under which repayment must be made by the business enterprise to the Section 4A corporation should the business fail to meet the performance requirements specified in the agreement; and
- (4) the terms provided in any attached performance agreement and other terms as approved by the City Attorney, including modifications to the attached agreement(s).

3. appoints the City of Wichita Falls as agent for the Wichita Falls Economic Development Corporation to expend and administer funds on behalf of this corporation as requested by the President of the corporation, and authorizes the City Manager and Finance Director of the City of Wichita Falls to expend and administer the funds allocated herein.

4A Corporation Financial Report						PROPOSED	
8/31/2010							PERCENT
	FY08	FY09	FY09	FY10	FY10	FY11	CHANGE
	Actual	Budget	Actual	Budget	Actual	Budget	2011 / 2010
Revenue							
Sales Taxes	\$ 3,558,983	\$ 3,551,795	\$ 3,408,651	\$ 3,000,000	\$ 2,498,045	\$ 3,214,125	7.1%
Other Rents (ATCO Lease)	\$ 108,258	\$ 106,800	\$ 106,800	\$ 106,800	\$ 97,900	\$ 106,800	0.0%
Reimbursements	\$ 27,615	\$ 27,615	\$ 3,067	\$ 27,615	\$ -	\$ 28,977	4.9%
Interest	\$ 644,490	\$ 700,000	\$ 183,132	\$ 91,200	\$ 33,941	\$ 37,500	-58.9%
Sale of Property	\$ 127,092						
Total Revenues	\$ 4,438,823	\$ 4,386,210	\$ 3,701,650	\$ 3,225,615	\$ 2,629,886	\$ 3,387,402	5.0%
Completed Projects							
Phase 1 Business Park (10/12/04,	\$ 33,500						
ATCO Structures (12/19/05, 12/20/05)	\$ 349,500						
Texas Transland	\$ 76,000						
Vernon College Machining School	\$ 130,105		\$ 42,406				
Business Park Utilities	\$ 283,240						
Transit Buses			\$ 267,629				
Community Wide Marketing		\$ 50,000			\$ 50,000		
Pratt Whitney Canada		\$ 450,000	\$ 369,791				
Old Dominion	\$ 47,904	\$ 75,000	\$ 128,953				
On-Going Programs							
Insurance	\$ 1,210	\$ 1,210		\$ 1,210	\$ -	\$ 1,210	0.0%
Ad Valorem Tax	\$ 28,030	\$ 27,615	\$ 27,579	\$ 27,079	\$ -	\$ 28,977	7.0%
Professional Fees	\$ 17,508	\$ 30,000	\$ 7,560	\$ 60,000	\$ 49,337	\$ 60,000	0.0%
CCI-Contract	\$ 155,524	\$ 163,980	\$ 165,354	\$ 286,064	\$ 258,342	\$ 285,868	-0.1%
Regional Marketing Taskforce	\$ 103,812	\$ 101,802	\$ 103,912	\$ 101,802	\$ 101,804	\$ 118,000	15.9%
Regional Workforce Development	\$ 43,667	\$ 75,000	\$ 56,250	\$ 113,163	\$ 113,164	\$ 109,672	-3.1%
SMAC	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	0.0%
Downtown Wichita Falls Promotion				\$ 120,000	\$ 120,000	\$ -	-100.0%
Business Park Maintenance	\$ 86,740	\$ 88,544	\$ 91,919	\$ 100,962	\$ -	\$ 98,980	-2.0%
Water/Sewer Sanitation	\$ 41,628		\$ 31,064	\$ 10,500	\$ 5,861	\$ 10,000	-4.8%
Electricity	\$ 499		\$ 464	\$ 500	\$ 289	\$ 500	0.0%
City Administrative Expense				\$ 10,000	\$ -	\$ 30,000	200.0%
Business Plan Contest (Lalani)				\$ 15,000	\$ 14,682	\$ 18,500	23.3%
Open Projects							
Affiliated Energy Products	\$ 38,250		\$ 5,000				
Machining Solutions			\$ 48,000				
NEW Customer Service			\$ 148,000				
Tryer			\$ 112,000	\$ 112,000	\$ 56,000		
Community Wide Promotional			\$ 2,418	\$ 250,000	\$ 37,184	\$ 250,000	
Carter Copter Construction				\$ 500,000	\$ 468,750		
Carter Copter Aircraft Devt Incentive				\$ 3,500,000			
Natura World Inc				\$ 9,300,000	\$ 6,434,482		
Sharp Iron				\$ 600,000			
WDSGlobal Call Center				\$ 3,675,000	\$ 847,734		
SAFB Intervention Project (PUC)				\$ 30,000	\$ 8,952		
Wichita Clutch				\$ 440,000			
Health Care Equipment Specialty, Inc				\$ 521,434	\$ 141,765		
Latex Foam International				\$ 1,709,050			
MagicAire				\$ 1,150,000	\$ 1,000,000		
Excalibur Paint and Coatings				\$ 1,500,000			
Total Expenditures	\$ 1,487,117	\$ 1,163,150	\$ 1,708,299	\$ 24,233,764	\$ 9,808,346	\$ 1,111,707	
Revenues Less Expenses	\$ 2,951,706	\$ 3,223,059	\$ 1,993,351	\$ (21,008,149)	\$ (7,178,460)	\$ 2,275,695	
Beginning Cash Balance	\$ 19,106,467	\$ 22,058,173	\$ 22,058,173	\$ 24,051,524	\$ 24,051,524	\$ 16,873,064	
Ending Cash Balance	\$ 22,058,173	\$ 25,281,232	\$ 24,051,524	\$ 3,043,375	\$ 16,873,064	\$ 19,148,759	
Reserved For Encumbrances	\$ 2,985,317	\$ 2,985,317	\$ 874,316	\$ 874,316	\$ 15,233,955	\$ 15,233,955	
Unreserved Fund Balance	\$ 19,072,856	\$ 22,295,915	\$ 23,177,208	\$ 2,169,059	\$ 1,639,109	\$ 3,914,804	
Allowed Promotional:				\$ 634,832		\$ 478,272	
Promotional Expenses:				\$ 495,300		\$ 339,000	
(Over) / Under:				\$ 139,532		\$ 139,272	

Fiscal Year 2010-2011 Budget

Economic Development Services Contract

\$_____

This agreement is entered into on September ____, 2010, by and between the Wichita Falls Economic Development Corporation (WFEDC), a Texas development corporation authorized under the Texas Development Corporation Act of 1979 Section 4A, (hereinafter Act) and the Wichita Falls Chamber of Commerce and Industry (CHAMBER), a not-for-profit 501(c)(6) corporation. The purpose of this agreement is to define the obligation of the CHAMBER to provide a measurable amount of service in exchange for a certain amount of compensation from the WFEDC.

Whereas, the above named Act authorizes the WFEDC to contract with existing private corporations to carry out industrial development programs consistent with the purposes and duties as set out in this Act, and;

Whereas, the WFEDC has since its inception elected to contract with the CHAMBER to carry out the industrial and economic development programs specified in the Act, and;

Whereas, the **2010 Strategic Planning Organizational Goals** approved by the CHAMBER's Board of Directors at a meeting duly called on February 26, 2010, identifies the very specific and measurable services of the CHAMBER's Economic Development Program, Chamber of Commerce program, and Workforce Development program, and;

Whereas, the WFEDC will fund only a percentage of the Economic Development and Workforce Development Goals of the CHAMBER's Organizational Goals and not the Chamber of Commerce programs, and the WFEDC requires that none of the funds being paid by them to the CHAMBER will be commingled with other sources of income generated by the CHAMBER and used to pay for any expenses other than those discussed in this Agreement, and;

Whereas, the WFEDC requires the CHAMBER to contract with a licensed CPA to monitor all accounts payable and to keep a general accounting ledger including sub-accounts showing income and expenses for all Economic Development, Workforce Development, and CHAMBER operations and that said documentation will confirm that 100% of the funds the CHAMBER received from the WFEDC resulting from this contract were spent on Economic Development, Workforce Development, Regional Economic Development Marketing, and the implementation of these programs.

Therefore:

The WFEDC will pay to the CHAMBER the amount of \$_____ in equal quarterly installments beginning October 1, 2010, and ending September 30, 2011, to provide administration services for primary job economic development projects of the WFEDC, which shall include researching, analyzing, and managing projects, as well as enforcing project agreements, to be provided as percentages of payment of compensation & benefits for the following CHAMBER personnel:

50% of CHAMBER President and CEO

100% of CHAMBER Vice President of Economic Development

100% of CHAMBER Vice President of Workforce Development

100% of CHAMBER Vice President of Marketing

The WFEDC will pay to the CHAMBER the amount of \$_____ in equal quarterly installments beginning October 1, 2010, and ending September 30, 2011, to provide funds for the Regional

Marketing Taskforce, which will administer and promote the creation of primary jobs in the City of Wichita Falls. \$_____ of this expenditure will be for administration services for primary job economic development projects of the WFEDC. \$_____ of this expenditure will be for promotional expenditures that advertise and publicize the City of Wichita Falls for the purpose of developing new and expanded business enterprises.

Gary Shores
President, WFEDC

Warren Ayres
Chairman, CHAMBER

Tim Chase
CHAMBER, President & CEO

Wichita Falls Chamber of Commerce and Industry
2010 Strategic Planning Organizational Goals

The group identified three primary areas on which the Chamber should focus

1. Ideas to freshen Chamber programs

- a. Events tend to have the same group of attendees. To broaden the pool of attendees will require using a variety of traditional and non-traditional methods of communicating with members. *The Chamber must utilize email, fax, direct mail, social media, advertising, and public relations to reach more members and non-members.*
- b. Recent efforts to build networking opportunities have resulted in increased attendance by young professionals. *The Chamber should evaluate and possibly create a unique group catering to their desired methods of networking.*
- c. Membership recruitment events and activities have run their course and our volunteers have told us they want to try something new. *Research membership recruitment best practices of Chambers nationally and report results to the Board.*
- d. Membership sales will continue to be sluggish and renewals will likely decrease to an even greater degree in 2010. *The Chamber must increase its non-dues income by offering freshened programs members and non-members are willing to pay for.*

2. Workforce

- a. Upon evaluating the language mismatch between education and the needs of local employers, emphasis should be given to curriculum alignment at each level of credential attainment. *The Chamber must champion local career plans to educational pathways that serve local high growth industry and job placement segments.*
- b. Local employers are dissatisfied with the disconnect between life experience and workplace expectations especially prevalent among the generation differences. *The Chamber must review local job shadowing/non-compensated internship programs and enhance the volume of participation.*
- c. Upon measuring and evaluating the skills mismatch between employer's needs and employee's skills, an assessment tool should be utilized for high school graduates, the unemployed and the underemployed designed to balance their existing skills with training they need to become proficient in missing skills. *The Chamber must champion the purchase of a nationally recognized evaluation tool and the implementation of a Worker Readiness Credential.*
- d. The role of the Chamber is to advocate on behalf of businesses in the region as it relates to improving workforce issues. *The Chamber will author a report evaluating existing program efforts, perceived value of programs, and make recommendations.*

3. Economic Development

- a. Retention
 - i. Local management of employers that export their products change frequently and we need to make sure we have better relationships. *Initiate an industry appreciation program including events and corporate HQ visits.*
 - ii. Direct interaction from community leaders with our export business management is critical to retention. *Revisit and reemphasize the importance of having local elected and business leaders call on export businesses.*
- b. Attraction
 - i. Well over 80% of initial site searches are coming from anonymous online inquiries from site consultants. *The Chamber must create a system to update all information including commercial properties on the website.*
 - ii. We have invested significant time and money in the last three years building relationships with national site selection consultants. *The Chamber must create a system to routinely freshen our contacts and follow-up with this network.*
- c. Entrepreneurship
 - i. Over the next three to five years a significant number of locally owned export businesses will be engaged in looking for a buyer. *In concert with MSU create a business cessation strategy designed to match young entrepreneurs with owners wishing to retire.*
 - ii. Entrepreneurship efforts are growing stronger in recent months and 2010 should see significant energy and resources added. *Seek out and encourage export businesses to present their plan to the 4A Board for finding consideration.*

**Contract for Administration of Economic Development Activities between Wichita Falls
Economic Development Corporation and Sheppard Military Affairs Committee, Inc.
(\$100,000)**

This agreement is effective on October 1st, 2010, by and between the Wichita Falls Economic Development Corporation (WFEDC), a Texas development corporation authorized under the Texas Development Corporation Act of 1979 Section 4A, (hereinafter Act) and Sheppard Military Affairs Committee, Inc. (SMAC), a not-for-profit 501(c)(3) corporation. The purpose of this agreement is to define the obligation of the SMAC to provide a measurable amount of service in exchange for a certain amount of compensation from the WFEDC.

Whereas, the above named Act authorizes the WFEDC to contract with existing private corporations to carry out industrial development programs consistent with the purposes and duties as set out in this Act,

Whereas, Texas Local Gov't Code § 501.101 authorizes a 4A development corporation to fund projects that are land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are:

- (1) for the creation or retention of primary jobs; and
- (2) found by the board of directors to be required or suitable for the development, retention, or expansion of:
 - (A) manufacturing and industrial facilities;
 - (B) research and development facilities;
 - (C) military facilities, including closed or realigned military bases;**
 - (D) transportation facilities, including airports, ports, mass commuting facilities, and parking facilities;
 - (E) sewage or solid waste disposal facilities;
 - (F) recycling facilities;
 - (G) air or water pollution control facilities;
 - (H) facilities for furnishing water to the public;
 - (I) distribution centers;
 - (J) small warehouse facilities capable of serving as decentralized storage and distribution centers;
 - (K) primary job training facilities for use by institutions of higher education; or
 - (L) regional or national corporate headquarters facilities.

Whereas, Texas Local Gov't Code § 501.002(12) provides that "Primary job" includes a job that is included in North American Industry Classification System (NAICS) sector number 928110, National Security, for the corresponding index entries for Armed Forces, Army, Navy, Air Force, Marine Corps, and Military Bases.

Whereas, Sheppard Air Force Base is a valuable source of employment and primary jobs, and has been recently re-aligned by the Base Realignment Commission's plan to move the 882nd Training Group to Fort Sam Houston, which will require intensive efforts to research economic prospects and move additional military and civilian enterprises to Sheppard Air Force Base,

Whereas, the WFEDC desires to employ the expertise of SMAC to administer funds provided and proposed for the aforementioned projects at or adjacent to Sheppard Air Force Base.

Therefore:

1. Payment & Scope: The WFEDC will pay the amount of **\$100,000** in equal quarterly installments of **\$25,000** to provide administrative services for primary job economic development projects of the WFEDC related to the Sheppard Air Force Base, as described above, which shall include researching, analyzing, and managing the aforementioned types of projects, as well as enforcing project agreements, and pursuing the following missions:

- to strengthen Sheppard and area community relationships by seeking opportunities for businesses, organizations, and individuals to become more involved
- to match local government, civic, and educational resources with those at Sheppard and the Air Education and Training Command to maintain current missions and promote additional opportunities for growth and new missions
- to position the area's resources to maintain and improve Sheppard Air Force Base's military value with an exemplary military/community partnership

The City, acting as the paying agent for the WFEDC, shall make payment to SMAC within 30 days of receipt of a valid invoice from SMAC.

All funds received hereunder shall be for the administration of 4A eligible projects.

2. Term of Contract. The term of this agreement shall be for the one-year period beginning **October 1, 2010** and ending **September 30, 2011**, subject to satisfactory performance by the SMAC as outlined herein.

3. Budget. In performing the services called for under the provisions of this contract, the SMAC shall conform its expenditures to the services outlined in the budget provided to the WFEDC. Upon request of the SMAC, line item changes may be made in the budget referred to herein without further WFEDC action if approved by the City Manager. In no event shall the WFEDC be required to pay more than the amount designated as compensation herein to the SMAC under the terms of this contract.

4. SMAC's Contribution. In the event that the total sum to be paid by the WFEDC to the SMAC under the terms of this agreement is not sufficient for the SMAC to continue performance of its obligations hereunder until termination date hereof, the SMAC shall contribute sufficient funds for continued performance to fulfill terms of the contract.

5. Refund. At the termination date hereof, the SMAC shall pay to the WFEDC any sums paid to the SMAC by the WFEDC which have not been expended or committed as budgeted.

6. Financial Reports. A budget report, to contain such reasonable financial information and data as the WFEDC deems necessary, shall be submitted to the WFEDC by the SMAC upon the request of the WFEDC.

7. Future Funding. The funding of this project in no way commits the WFEDC to future funding of this program beyond the current contract period. Any future funding is solely the responsibility of the SMAC.

8. Termination of Contract. This agreement shall continue in full force and effect until the expiration of the term set forth above. If either party fails to fulfill its obligations under this contract in a timely and proper manner, the other party shall have the right to terminate this contract for cause. Written notice stating the grounds for termination will be given to the other party not less than 30 days prior to the effective date of such termination.

If either party to the contract should desire to terminate the contract prior to the date of expiration, either with or without cause, then it may do so by giving written notice to the other party not less than 60 days prior to the intended termination date. Upon termination, the WFEDC shall only be liable for the part of the contract actually performed. The SMAC shall be entitled to receive just and equitable compensation from the WFEDC for any satisfactory work completed prior to the termination. The SMAC will refund any unearned funds advanced by or received from the WFEDC. Notwithstanding the above, the SMAC shall not be relieved of liability to the WFEDC for damages sustained by the WFEDC by virtue of any breach of the SMAC. The WFEDC may withhold any payments due the SMAC for the purposes of setoff until such time as the exact amount of damages due the WFEDC from the SMAC are determined.

9. Changes. The WFEDC may, from time to time, request changes in the Scope of Services of the SMAC as may be mutually agreed to be performed hereunder. Such changes, including any increase or decrease in the amount of the SMAC's compensation, which are mutually agreed upon by and between the WFEDC and the SMAC, shall be incorporated in written amendments to the contract.

10. Assignability. The SMAC shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the WFEDC; provided, however, that claims for money due or to become due to the SMAC from the WFEDC under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the WFEDC.

11. Records.

a. Establishment and Maintenance of Records. The SMAC shall establish and maintain records in accordance with requirements prescribed by the WFEDC, with respect to all matters covered by this contract. Except as otherwise authorized by the WFEDC, the SMAC shall retain such records for a period of three years after receipt of the final payment under this contract or termination of this contract.

b. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, orders, and/or any other accounting documents. Any of the above related in whole or in part to this contract shall be clearly identified and readily accessible.

c. Reports and Information. The SMAC at such time and in such forms as the WFEDC may require, shall furnish to the WFEDC such statements, records, reports, data, and information as the WFEDC may request pertaining to matters covered by this contract. All of the reports, information, data and other related materials prepared or assembled by the SMAC under this contract are confidential and shall not be made available to anyone without the prior written approval of the SMAC. Information restricted by law relating to personal, medical and

financial data will be treated as confidential and will not be released to the WFEDC except as may be required pursuant to Texas Government Code Chapter 552 and any amendments thereto. Release of information pursuant to a subpoena, ruling of the Texas Attorney General or other legal process shall not be a violation of this contract.

d. Audits and Inspections. The SMAC shall at any time during normal business hours and as often as the WFEDC may deem necessary, make available to the WFEDC for examination all of its records and data with respect to all matters covered by this contract and shall permit the WFEDC or its designated authorized representative to audit and inspect all invoices, materials, payrolls, records of personnel conditions of employment and other data relating to all matters covered by this contract. SMAC shall furnish to the WFEDC a certified audit of the expenses pertaining to this contract upon completion.

e. Accounting. The SMAC shall establish and maintain on a current basis an adequate accounting system on an accrual or other accounting basis in accordance with generally accepted accounting principles and standards.

12. Limitation on Compensation for Personal Services. Compensation for personal services includes, but is not limited to, wages, salaries, and supplementary compensation and benefits. Compensation for employees of the SMAC shall not exceed that paid for similar work paid by the WFEDC. In cases where the kinds of personal services provided have no counterpart in local governmental agencies, compensation shall not exceed that paid for similar work in the labor market in which the SMAC competes for the kinds of personal services involved or the compensation level established by the SMAC's primary funding source.

13. Interest of WFEDC and Others. No officer or employee of the WFEDC and no members of its governing body of the locality or localities in which the project is situated or being carried out who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this Project, shall participate in any decisions relating to this contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is, directly or indirectly, interested or has any personal or pecuniary interest, direct or indirect, in this contract or the proceeds thereof.

14. Compliance with Laws. The SMAC shall comply with applicable laws, ordinances, and codes of the State and local governments and the SMAC shall save and hold harmless the WFEDC with respect to damages arising from any tort committed in performing any of the work embraced by this contract.

15. Political Activity Prohibited. None of the funds, materials, property or services provided directly or indirectly under this contract shall be used in the performance of this contract for any partisan political activity.

16. Lobbying Prohibited. None of the funds provided under this contract shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before any governmental entity. Educational activities designed to present factual information to legislators or other government officials are not restricted by the provisions of this contract.

17. Renegotiation. This contract may be renegotiated at the request of either party in the event alternate sources of funding become available during the term of the contractual agreement. The

SMAC must notify the WFEDC of all occurrences where alternate funding becomes available.

18. No Third-Party Beneficiaries. The benefits of this contract are intended to inure solely to the WFEDC, the City, and the SMAC. Accordingly, the parties do not intend any persons who are not named in this paragraph to have authority to enforce any provision of this contract.

19. Venue. This contract is to be performed in Wichita County, Texas which shall be the exclusive venue for any legal proceedings related to this agreement.

Executed the _____ day of _____, 2010.

WFEDC

Sheppard Military Affairs Committee, Inc.

Gary Shores, President

_____, _____
Name Title

**Agreement for Administration and Promotion of Economic Development Activities between
Wichita Falls Economic Development Corporation and the Munir Abdul Lalani Center for
Entrepreneurship and Free Enterprise of the Dillard College of Business Administration of
Midwestern State University through the IDEAWF Contest
(\$18,500)**

This agreement is effective on October 1st, 2010, by and between the Wichita Falls Economic Development Corporation (WFEDC), a Texas development corporation authorized under the Texas Development Corporation Act of 1979 Section 4A, (hereinafter Act) and the Munir Abdul Lalani Center for Entrepreneurship and Free Enterprise of the Dillard College of Business Administration of Midwestern State University (the Lalani Center). The purpose of this agreement is to define the obligation of the Lalani Center to provide a measurable amount of service in exchange for a certain amount of compensation from the WFEDC.

Whereas, the above named Act authorizes the WFEDC to contract with existing private corporations to carry out industrial development programs consistent with the purposes and duties as set out in this Act,

Whereas, Texas Local Gov't Code § 501.101 authorizes a 4A development corporation to fund projects that are land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are:

- (1) for the creation or retention of primary jobs; and
- (2) found by the board of directors to be required or suitable for the development, retention, or expansion of:
 - (A) manufacturing and industrial facilities;
 - (B) research and development facilities;
 - (C) military facilities, including closed or realigned military bases;
 - (D) transportation facilities, including airports, ports, mass commuting facilities, and parking facilities;
 - (E) sewage or solid waste disposal facilities;
 - (F) recycling facilities;
 - (G) air or water pollution control facilities;
 - (H) facilities for furnishing water to the public;
 - (I) distribution centers;
 - (J) small warehouse facilities capable of serving as decentralized storage and distribution centers;
 - (K) primary job training facilities for use by institutions of higher education; or
 - (L) regional or national corporate headquarters facilities.

Whereas, the WFEDC desires to utilize the Lalani Center for Entrepreneurship to administer funds designed to encourage the creation of ideas that will result in the creation and/or retention of primary jobs in industries eligible for funding pursuant to Texas Local Gov't Code § 501.101; and

Whereas, the WFEDC desires to utilize the Lalani Center for Entrepreneurship to promote businesses and economic opportunity in the City of Wichita Falls.

Therefore:

1. Payment & Scope: The WFEDC will pay the amount of **\$18,500** to the Lalani Center in exchange for economic development services to encourage the creation and development of primary jobs in Wichita Falls through the IDEAWF entrepreneurship contest to research, identify, and promote business opportunities in the local area. \$1,000 of such expenditure will be to advertise and publicize the City of Wichita Falls for the purpose of developing new and expanded business enterprises and \$17,500 of such expenditure will be for the administration of projects that create primary jobs and are otherwise 4A eligible projects, as described herein. More specifically, the funds provided hereunder will be used to provide services through the expenditure of funds in accordance with the attached **Letter**. The City, acting as the paying agent for the WFEDC, shall make payment to the Lalani Center within 30 days of receipt of a valid invoice from the Lalani Center.
2. Term of Contract. The term of this agreement shall be for the one-year period beginning **October 1, 2010** and ending **September 30, 2011**, subject to satisfactory performance by the Lalani Center as outlined herein.
3. Budget. In performing the services called for under the provisions of this contract, the Lalani Center shall conform its expenditures to the services outlined in the attached **Letter**. In no event shall the WFEDC be required to pay more than the amount designated as compensation herein to the Lalani Center under the terms of this contract.
4. Lalani Center's Contribution. In the event that the total sum to be paid by the WFEDC to the Lalani Center under the terms of this agreement is not sufficient for the Lalani Center to continue performance of its obligations hereunder until termination date hereof, the Lalani Center shall contribute sufficient funds for continued performance to fulfill the terms of the contract.
5. Refund. At the termination date hereof, the Lalani Center shall pay to the WFEDC any sums paid to the Lalani Center by the WFEDC which have not been expended or committed as budgeted.
6. Financial Reports. A budget report, to contain such reasonable financial information and data as the WFEDC deems necessary, shall be submitted to the WFEDC by the Lalani Center upon the request of the WFEDC.
7. Future Funding. The funding of this project in no way commits the WFEDC to future funding of this program beyond the current contract period. Any future funding is solely the responsibility of the Lalani Center.
8. Termination of Contract. This agreement shall continue in full force and effect until the expiration of the term set forth above. If either party fails to fulfill its obligations under this contract in a timely and proper manner, the other party shall have the right to terminate this contract for cause. Written notice stating the grounds for termination will be given to the other party not less than 30 days prior to the effective date of such termination.

If either party to the contract should desire to terminate it prior to the date of expiration, either with or without cause, then it may do so by giving written notice to the other party not less than 60 days prior to the intended termination date.

Upon termination, the WFEDC shall only be liable for the part of the contract actually performed. The Lalani Center shall be entitled to receive just and equitable compensation from the WFEDC for any satisfactory work completed prior to the termination. The Lalani Center will refund any unearned funds advanced by or received from the WFEDC. Notwithstanding the above, the Lalani Center shall not be relieved of liability to the WFEDC for damages sustained by the WFEDC by virtue of any breach by the Lalani Center. The WFEDC may withhold any payments due the Lalani Center for the purposes of setoff until such time as the exact amount of damages due the WFEDC from the Lalani Center are determined.

10. Assignability. The Lalani Center shall not assign any interest in this contract, and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the WFEDC; provided, however, that claims for money due or to become due to the Lalani Center from the WFEDC under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the WFEDC.

11. Records.

a. Establishment and Maintenance of Records. The Lalani Center shall establish and maintain records in accordance with requirements prescribed by the WFEDC, with respect to all matters covered by this contract. Except as otherwise authorized by the WFEDC, the Lalani Center shall retain such records for a period of three years after receipt of the final payment under this contract or termination of this contract.

b. Documentation of Costs. All costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, orders, and/or any other accounting documents. Any of the above related in whole or in part to this contract shall be clearly identified and readily accessible.

c. Reports and Information. The Lalani Center at such time and in such forms as the WFEDC may require, shall furnish to the WFEDC such statements, records, reports, data, and information as the WFEDC may request pertaining to matters covered by this contract. Information restricted by law relating to personal medical and financial data will be treated as confidential and will not be released to the WFEDC except as may be required pursuant to Texas Government Code Chapter 552 and any amendments thereto. Release of information pursuant to a subpoena, ruling of the Texas Attorney General or other legal process shall not be a violation of this contract.

d. Audits and Inspections. The Lalani Center shall at any time during normal business hours and as often as the WFEDC may deem necessary, make available to the WFEDC for examination all of its records and data with respect to all matters covered by this contract and shall permit the WFEDC or its designated authorized representative to audit and inspect all invoices, materials, payrolls, records of personnel conditions of employment and other data relating to all matters covered by this contract. If requested in writing by the WFEDC, the Lalani Center shall furnish to the WFEDC a certified audit of the expenses pertaining to this contract within 90 days after such request. An audit request shall be effective if made within three years after termination of this contract.

e. Accounting. The Lalani Center shall establish and maintain on a current basis an adequate accounting system on an accrual or other accounting basis in accordance with generally accepted accounting principles and standards.

12. Compliance with Laws. The Lalani Center shall comply with applicable laws, ordinances, and codes of the State and local government.

13. Political Activity Prohibited. None of the funds, materials, property or services provided directly or indirectly under this contract shall be used in the performance of this contract for any partisan political activity.

14. Lobbying Prohibited. None of the funds provided under this contract shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before any governmental entity. Educational activities designed to present factual information to legislators or other government officials are not restricted by the provisions of this contract.

15. No Third-Party Beneficiaries. The benefits of this contract are intended to inure solely to the WFEDC, the City, and the Lalani Center. Accordingly, the parties do not intend any persons who are not named in this paragraph to have authority to enforce any provision of this contract.

16. Venue. This contract is to be performed in Wichita County, Texas which shall be the exclusive venue for any legal proceedings related to this agreement.

Executed the _____ day of _____, 2010.

WFEDC

**Munir Abdul Lalani Center for
Entrepreneurship and Free Enterprise of
Dillard College of Business Administration of
Midwestern State University**

Gary Shores, President

Name

Title



MIDWESTERN STATE UNIVERSITY

Dillard College of Business Administration
The Munir Abdul Lalani Center for Entrepreneurship and Free Enterprise
3410 Taft Boulevard Wichita Falls, Texas 76308-2099
Office: 940-397-4634 Fax: 940-397-4693

August 26, 2010

Mr. Tim Chase
President/CEO Wichita Falls Chamber of Commerce and Industry
900 8th Street, Suite 218
Wichita Falls, Texas 76301

Dear Tim,

The support of the 4A board was central to the success of the first IdeaWF. As you may recall, the 4A board authorized \$15,000 to help fund the prize money and other costs of the competition. We spent \$14,681.57, with the printing costs coming in slightly under budget. The city's money nicely rounded out the support of the local business community, which gave \$22,000 in cash and in-kind prizes (professional services) worth \$22,000.

On behalf of IdeaWF 2011, the Lalani Center is requesting \$18,500 to support the upcoming business plan competition. The detailed spending plan for the proposed city contribution is:

Prize Money	\$17,500 (\$10,000 for 1 st , \$5,000 for 2 nd & \$2,500 for 3 rd)
Printing (brochures, posters, etc.)	\$1,000

The city's contribution this year will be focused on increasing the cash awards, which we hope will help attract growth-oriented entrants and build on last year's success. Although we are still in the process of fundraising from the business community, the intent is to increase the amount of in-kind prizes and raise more cash than we did in 2009. We hope to expand the marketing campaign to the Metroplex area to attract entrepreneurs to our region and have accordingly increased the marketing budget to \$25,000.

We were delighted with the first contest and again thank the 4A board and city for their vital support. The contest drew 35 entrants, 25 of which eventually submitted full business plans. Wind Eagle won first place and has used the contest prizes to clarify its legal structure, refine its business plan, and market its product to potential consumers. Though there is significant interest in the product, Wind Eagle is striving to secure a significant number of pre-sales before beginning actual production. Beginning production is not cheap, and it has also been in talks with various potential investors. If it can get over the pre-sales and funding hurdles Wind Eagle has the potential to create many manufacturing and sales-oriented jobs in the local economy. Scarliss, a skin cream that reduces scar tissue, won second place and has been engaged primarily in R&D and negotiations with prospective sales channels. The potential market for this product is both large and global, and the entrepreneur seeks to have the manufacturing location in our region. The Great Texas Gate (GTG) company won third place with its plan for a new, cleverly engineered gate for ranches and estates. The lead entrepreneur has spent the spring and summer finalizing his design and constructing the tooling needed to mass produce the gate. This is more

Providing leadership as the region's center of excellence in business education and service.

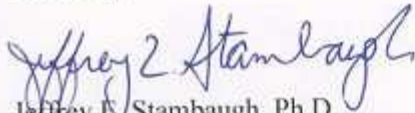
An Equal Opportunity/Affirmative Action Employer and Educator

Letter

of a niche market that could be quite profitable, but perhaps not too large. We, however, hope GTG will be able to develop products for needs it uncovers while it markets its gates to the ranching markets. In summary, all three of our winners are on a typical entrepreneurial trajectory—they are solving problems daily and continue to have a lot of potential, but only time will bear out their level of success.

Please contact me if there is anything I can do to clarify or support our request.

Sincerely,

A handwritten signature in blue ink, reading "Jeffrey E. Stambaugh". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Stambaugh" clearly legible.

Jeffrey E. Stambaugh, Ph.D.

Director, Munir Abdul Lalani Center for Entrepreneurship and Free Enterprise

Letter

